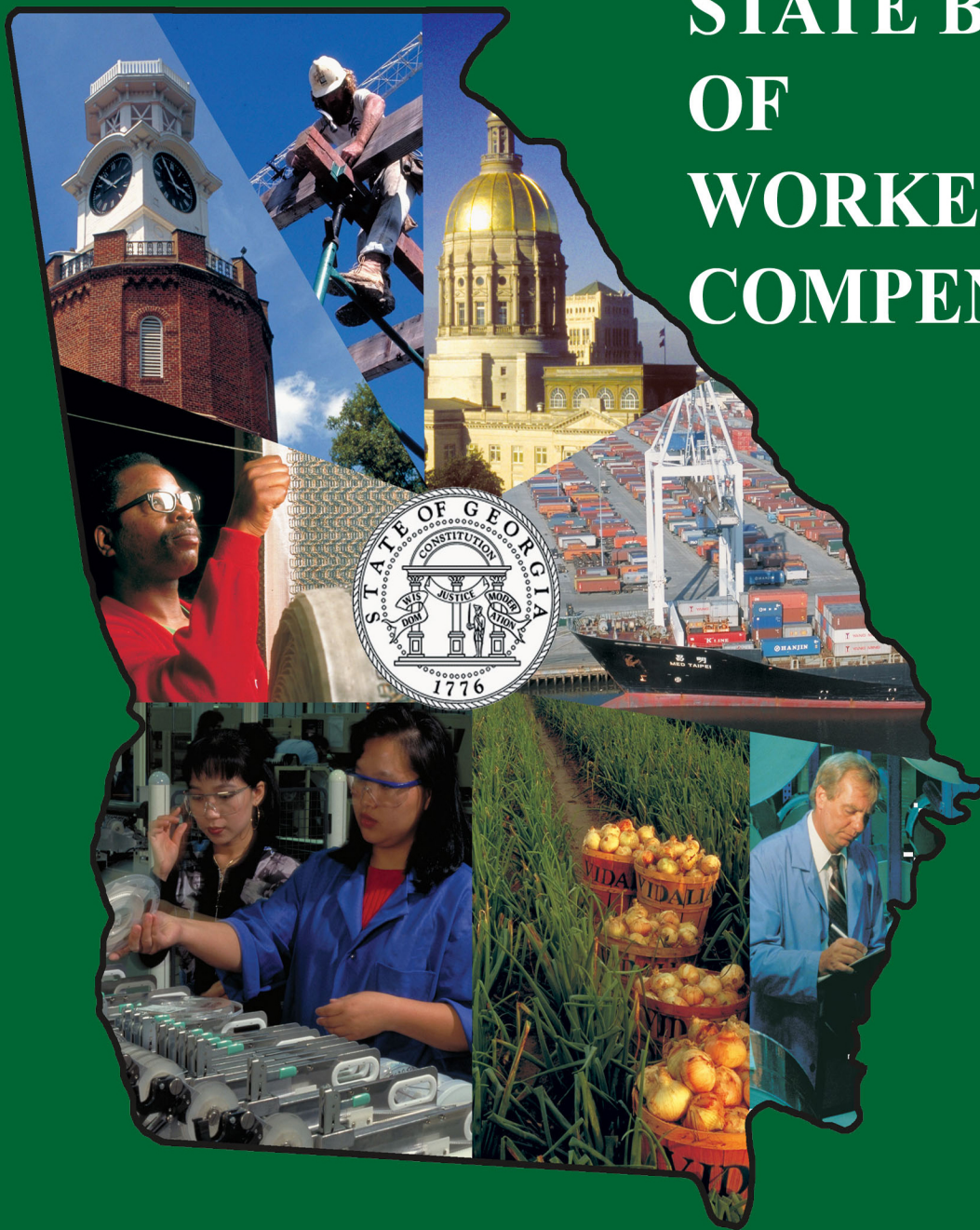
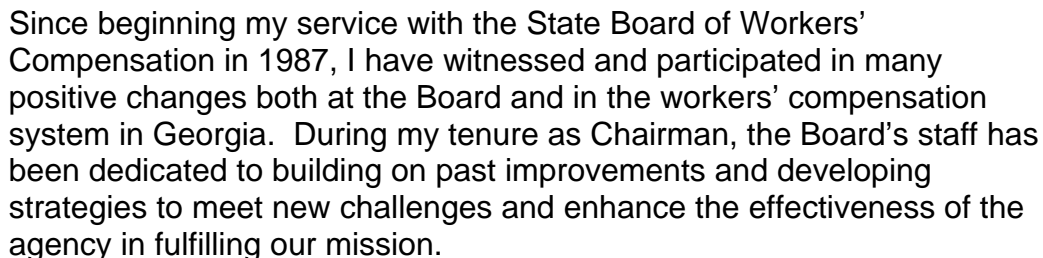


# STATE BOARD OF WORKERS' COMPENSATION



2004 ANNUAL REPORT

GEORGIA

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This past year saw tremendous strides toward implementing the new technology program for integrated claims management. Each division of the Board, working in cooperation with focus groups representing the many stakeholders, has been involved in the planning and development of this technology initiative. After several months of intensive work, the coming year will bring the phase in of the new system beginning in May 2005 and continuing through the calendar year. Thank you to all of you who volunteered your time and provided your perspectives on the development of the integrated claims management system. We here at the Board look forward to your continuing input in perfecting the new technology to best serve our stakeholders and carry out our mission.

I thank our staff for their hard work and dedication to serving the people of Georgia. I am also very grateful for the time and expertise volunteered by the members of the Advisor Council and the Steering Committee. Their success in assisting the Board, the Governor's office, and the legislature with developing policies and educational programs is reflected in the improvements to the performance of the workers' compensation system in Georgia today.

Sincerely,

Judge Carolyn C. Hall  
Chairman

# MISSION STATEMENT

Established in 1920 by the Georgia legislature, the State Board of Workers' Compensation serves over a quarter of a million employers in Georgia and over 3.8 million workers.\* The State Board is funded by assessments from insurance companies and self-insured employers.

# MISSION VALUES

An employee that is injured on the job and is covered by the law may be eligible for replacement of a portion of lost wages, medical payments, vocational rehabilitation services and other benefits.

\*Georgia Department of Labor Estimates



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**Published by**

# Georgia State Board of Workers' Compensation

**270 Peachtree Street, N.W.  
Atlanta, GA 30303**

**Governor  
Sonny Perdue**

**Chairman  
Judge Carolyn C. Hall**

**Director  
Judge Viola S. Drew**

**Director  
Judge Warren Massey**

**Executive Director**  
**Stan A. Carter**

**Chief Administrative Law Judge  
Judge William (Bill) Cain**

**The 2004 Annual Report  
is a presentation of  
calendar year  
2004 claim information  
and fiscal year 2004  
(July 1, 2003- June 30, 2004)  
operational statistics.**

## AT-A-GLANCE

## ORGANIZATION

# Introduction

## Message from the Board

## Organizational Structure

## ACHIEVEMENTS & ACTIVITIES

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## Alternative Dispute Resolution

Appellate

## Claims Processing

## Enforcement

## Hearings

## Information & Referral

## Licensure & Quality Assurance

## Managed Care & Rehabilitation

## Settlements

## STATISTICAL CHARTS & TABLES

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GEORGIA SELF-INSURERS GUARANTY TRUST FUND

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# AT-A-GLANCE

DECEMBER 31, 2004

**A** T-A-GLANCE provides a capsule look at the financial information for exception claims and medical only claims by calendar year. Exception claims are those claims that; because of Rehabilitation, mediation, hearings, appellate review or stipulated settlements, require the Board's involvement beyond claim reporting. The information presented in At-A-Glance is current as of December 31, 2004, unless otherwise noted.

	2004	2003	2002	2001
<b>CREATED CLAIMS</b>	32,942	38,953	40,834	42,351
Open	18,349	13,147	8,754	6,015
Closed	14,593	25,806	32,080	36,336
<b>WC-4 CASE PROGRESS REPORT</b>				
Total Weekly Benefits	\$ 52,544,199	205,685,035	345,269,879	452,944,239
Physicians Benefits	18,786,118	71,025,150	98,419,180	115,590,158
Hospital	21,237,304	74,031,537	103,562,088	108,952,281
Pharmacy Benefits	2,228,745	13,310,026	16,292,692	22,426,219
Physical Therapy	4,087,587	15,669,193	22,731,637	24,696,617
Chiropractic	184,654	581,687	641,805	850,247
Other-Med	7,577,023	29,521,285	40,860,130	43,920,281
Rehabilitation	2,265,889	9,647,745	14,281,232	15,706,023
Late Payment Penalties	227,605	714,396	1,068,232	1,361,472
Assessed Attorney's Fees	77,841	466,496	917,535	1,570,699
Burial	245,592	487,080	626,552	752,815
<b>TOTAL</b>	<b>109,462,557</b>	<b>421,139,630</b>	<b>644,670,962</b>	<b>788,771,051</b>
AVERAGE COST OF A CLAIM	\$ 3,323	10,811	15,788	18,625
AVERAGE LOST WORK DAYS	35	71	105	128
<b>MEDICAL ONLY CLAIMS:</b>				
WC-26 MEDICAL ONLY COUNT	99,053	128,469	153,420	182,150
TOTAL MEDICAL ONLY PAID	\$ 50,053,479	64,348,850	78,337,494	82,173,270
TOTAL PAYMENTS ALL CLAIMS	\$ 159,516,036	485,488,480	723,008,456	870,944,321



It has been 85 years since the Georgia Legislature enacted the Workers' Compensation Law in 1920. The law created an organization called the Industrial Commission, the forerunner of today's State Board of Workers' Compensation, to encourage safety and assure benefits for injured employees.

Today, the workers' compensation law provides for specific benefits to be paid to employees for injuries arising out of and in the course of employment, without regard to negligence or fault, and at the same time, provides the employer with limited liability. The rights granted an employee under the law preclude any other legal remedies against an employer by an employee due to a work-related injury.

If facts concerning a claim are contested or liability is questioned, either the employee or the employer/insurer may request a hearing before an Administrative Law Judge. If either party is dissatisfied with the hearing decision, a party may request a review by the Appellate Division. Further appeals may be taken through the court system; however, the courts can review only disputed questions of law while Administrative Law judges and the Appellate Division determine both factual and legal issues. In addition to a hearing, a party may also request mediation to attempt to resolve certain issues.

Although the Subsequent Injury Trust Fund is a separate state agency, the Board and the Fund work closely together. The Fund reimburses the employer/insurer for a portion of workers' compensation benefits paid in cases where a pre-existing permanent impairment combines with a subsequent injury to produce a greater disability than would have resulted from the subsequent injury alone.

In Georgia, employers obtain worker's compensation coverage through private insurers or programs of self-insurance. The workers' compensation program is funded entirely by assessments from insurance companies and self-insured employers.

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During the 2004 calendar year, more than 6,000 files were referred to the ADR Division for disposition. Of these, over 5,000 mediations were scheduled on average in less than 10 days of receipt of a request for mediation. Of those claims that were scheduled for mediation conferences, approximately 85% were successfully resolved. As to issuance of orders, the ADR Division issued approximately 1300 orders, averaging 22 days from receipt of the motion to issuance of an order.

The three-member Board constitutes the Appellate Division and is responsible for the administration of the Workers' Compensation Act. The responsibilities of the Board are divided into judicial, administrative, and regulatory functions.

In their judicial capacity, the members of the Board function as a three-judge appellate review panel. The **Appellate Division** hears and reviews cases when a party to a claim files an appeal from an award of an Administrative Law Judge of the Trial Division. The Appellate Division issues a written decision either adopting, amending, or reversing the decision issued by the Administrative Law Judge. Currently, the Appellate Division issues decisions, on average, in 60 days from the date of oral argument. During calendar year 2004, the Appellate Division issued over 700 decisions. The Appellate Division also issues orders approving settlements that have been agreed upon and submitted by the parties in a claim. The judicial function also includes the responsibility of reviewing and issuing orders in claims where the employee is requesting an advance or lump sum payment of future benefits. The administrative and regulatory functions include responsibility for maintaining the efficient monitoring of all claims and benefit payments to injured workers, ensuring that employers maintain required insurance coverage, approving applications of insurance companies to write workers' compensation insurance and applications of employers to act as self-insurers, and participating in programs to explain the functions of the Board to the general public. Additionally, the members of the Board work with an advisory council to develop policies and laws affecting workers' compensation and each year, with the advice of the council, promulgates and adopts rules and regulations affecting

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## 2004 Annual Report

The mission of the Enforcement Division is to work with businesses operating in Georgia to assure compliance under the Workers' Compensation Law, to deter fraud through public relations and investigations, and to enforce the rules and regulations of the State Board of Workers' Compensation.

Since operations began the Compliance Unit has conducted over 60,000 random and complaint based compliance checks of businesses to insure that businesses with three or more employees have workers' compensation insurance coverage. As a result 7,000 additional businesses have been required to obtain workers' compensation insurance coverage. It is estimated over \$19 million in premium loss has been recovered from these non-compliant employers resulting in insurance coverage for an additional 37,000 employees. In 2004 the Division collected over \$320,000 in fines from employers for their failure to

The Enforcement Division is now responsible for providing workers' compensation insurance coverage information on employers doing business in Georgia. The Board maintains a database on all self-insured and group fund employers. The Board has direct access to the National Council on Compensation Insurance (NCCI). We are able to access information on dates of coverage for all policies of insurance reported to NCCI by Georgia employers. Over 15,000 requests for coverage information are handled each year. This information is available to the general public for verification of their employer's insurance coverage. If no coverage can be located the business is subject to an inspection by the Compliance Unit.

The Hearings Division schedules and holds hearings for those claims in which an evidentiary hearing is requested by one of the parties. Over 15,000 cases were referred to the Hearings Division during the 2004 calendar year. Hearings are held before an Administrative Law Judge in the county where the injury occurs or a county within 50 miles of the country of injury. For the convenience of the parties the judges travel throughout the state to hold hearings on contested claims. Hearings may be held in one of the Board's ten field offices or the judge may travel to a location borrowed from a county or other governmental entity.

Most of the cases referred to the Hearings Division are resolved without a hearing but many require judicial action. The judges dispose of motions filed in cases which are or have been set for hearings. Georgia law requires that cases be scheduled for hearing between 30 and 90 days from the date the hearing notice is mailed. Board Policy is that the notices be mailed within 3 to 5 days from receipt of the file by the judge and that the hearings be scheduled between 45 and 60 days from the hearing notice in order to give the parties time to prepare while trying to expedite the hearing process.

Award must include findings of fact and conclusions of law. The Judges are responsible for scheduling their hearings, ruling on motions, having pre-trial conferences if necessary, presiding over the hearing and issuing Awards in a timely manner. The hearing judge's Award may be appealed to the Appellate Division of the Board within 20 days after the Award is issued. Appellate decisions may be appealed to the Superior Court of the county of injury and then to the Court of Appeals and Supreme Court of Georgia at the discretion of the Court of Appeals and the Supreme Court.

Many positive changes have been occurring in the system in recent years and the Hearings Division continues to strive for even more expeditious resolution of contested cases.



# INFORMATION & REFERRAL

The **Information & Referral Division** is responsible for:

- Providing claims assistance to injured employees, employers, insurers and attorneys concerning the status of their claim and other procedural matters.  
Our Information & Referral Specialists average handling over 4000 calls per month.
- Preparing copies of claim files for parties to the case.  
Our Copy Unit averages copying over 550 files (over 35,000 pages) each month.
- Preparing information for Superior Court Appeals.  
We process an average of over 23 files per month.

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## 2004 Annual Report

The objective of the Settlement Division is to fairly and expeditiously assist attorneys, employer/insurers, and employees in complying with O.C.G.A. §34-9-15, O.C.G.A. § 43-9-350, and O.C.G.A. §34-9-222 .The Division assists the Appellate Division in the review and approval of stipulated settlements, lump sum advances, and Subsequent Injury Trust Fund Reimbursement Agreements.

The Subsequent Injury Trust Fund (SITF) submits its reimbursement agreements to the Settlement Division for approval by the Board in compliance with OC.G.A. §43-9-350. These agreements are made between the SITF and the employer, and outline the SITF's reimbursement responsibilities to the employer. SITF agreements help to facilitate the rehire of injured workers because employers/insurers may be reimbursed in the event of employee re-injury. This also enables previously injured workers to reenter the work force.

modifies the advance before approval. The Board reserves the right to adjust the amount of the requested advance based on its determination of employee circumstances and actual need.

Examiners review and process over 13,500 stipulated settlements, 300 lump sum and advance requests, and 1,300 Subsequent Injury Trust Fund applications on an annual basis.

The Settlement Division also provides rapid responses to telephone and written inquiries as to the status of settlements or lump sum advances. The Division provides “how to” information, as well as present value calculations on an ongoing basis thereby assisting attorneys, employers/insurers, and injured workers in facilitating approval of stipulated agreements and lump sum advances.

**Stipulated Settlements Approved  
SITF Agreements Processed  
Advances & Lump Sum Awards  
Processed**





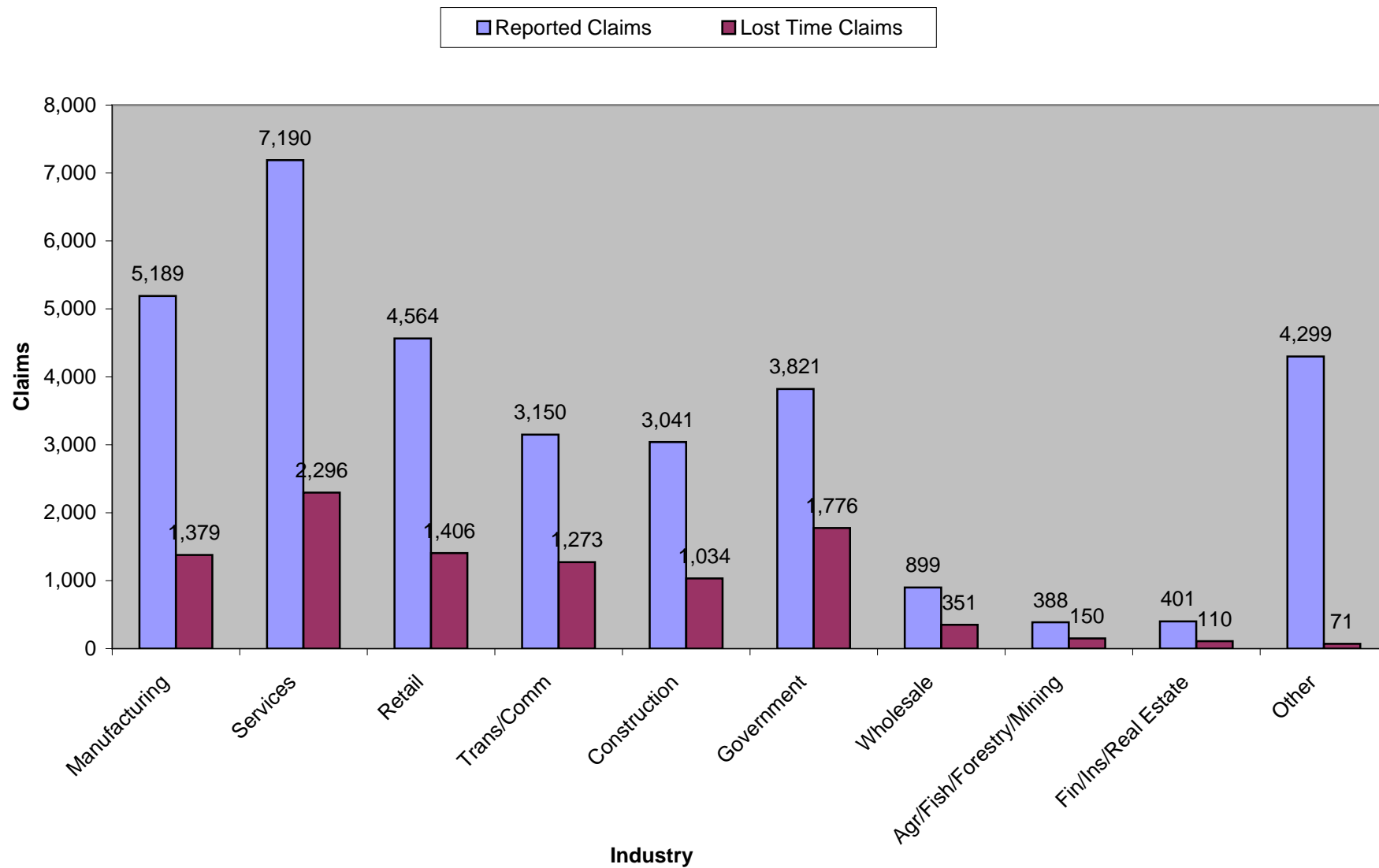
# Chart 1

## Distribution of processed cases by major industry 2004

Chart 1 presents the distribution of reported lost time claims by industry (SIC). Of the 9,846 lost time claims reported for accident year 2004, the Services industry continues to outpace the Manufacturing sector for the greatest number of reported lost time claims\*. In all instances, injuries reporting lost time were less than 50% of all reported injuries. During the last ten years the ratio of reported injuries to employment has remained relatively constant, between 1 and 2%. This year's ratio is less than 1%. Employment estimate is from the Georgia Department of Labor Workforce Information and Analysis.

*Lost Time Claims = a workers' compensation claim with more than seven (7) days of disability.	
DOI Year 2004 Lost Time Claims	9,846
DOI Year 2004 Reported Injuries	32,942
Georgia Estimated Non-agricultural Employment 2004	3,838,100

### Claims Distribution by Major Industry



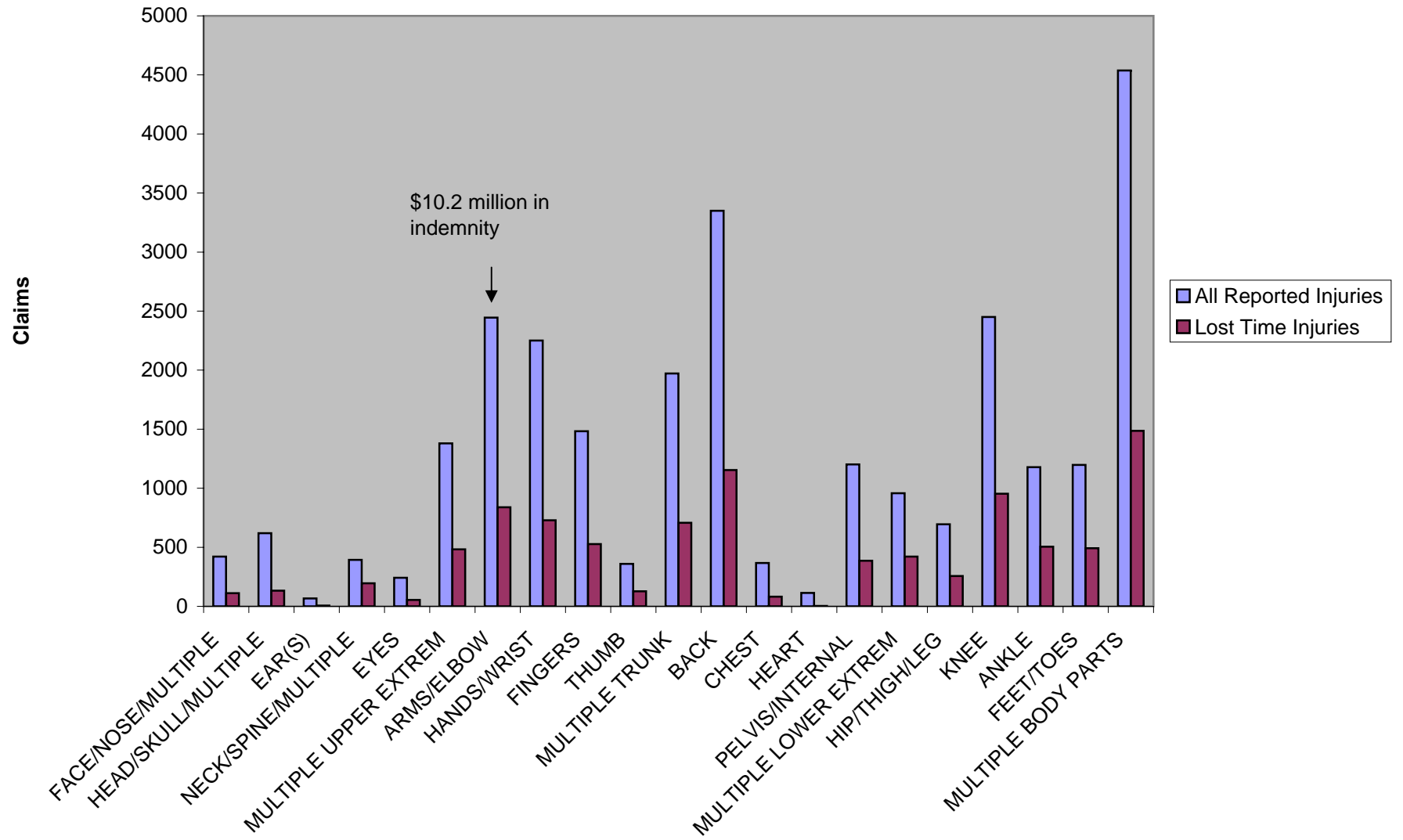
# Chart 2

## Part of body injured in work place accidents 2004

**Injuries to the BACK continue to be the most reported single injury to the body on the Employers First Report of Injury at 10% of all injuries reported and in 11% of the injuries reporting lost time.**



## Body Part Injured



# Chart 3

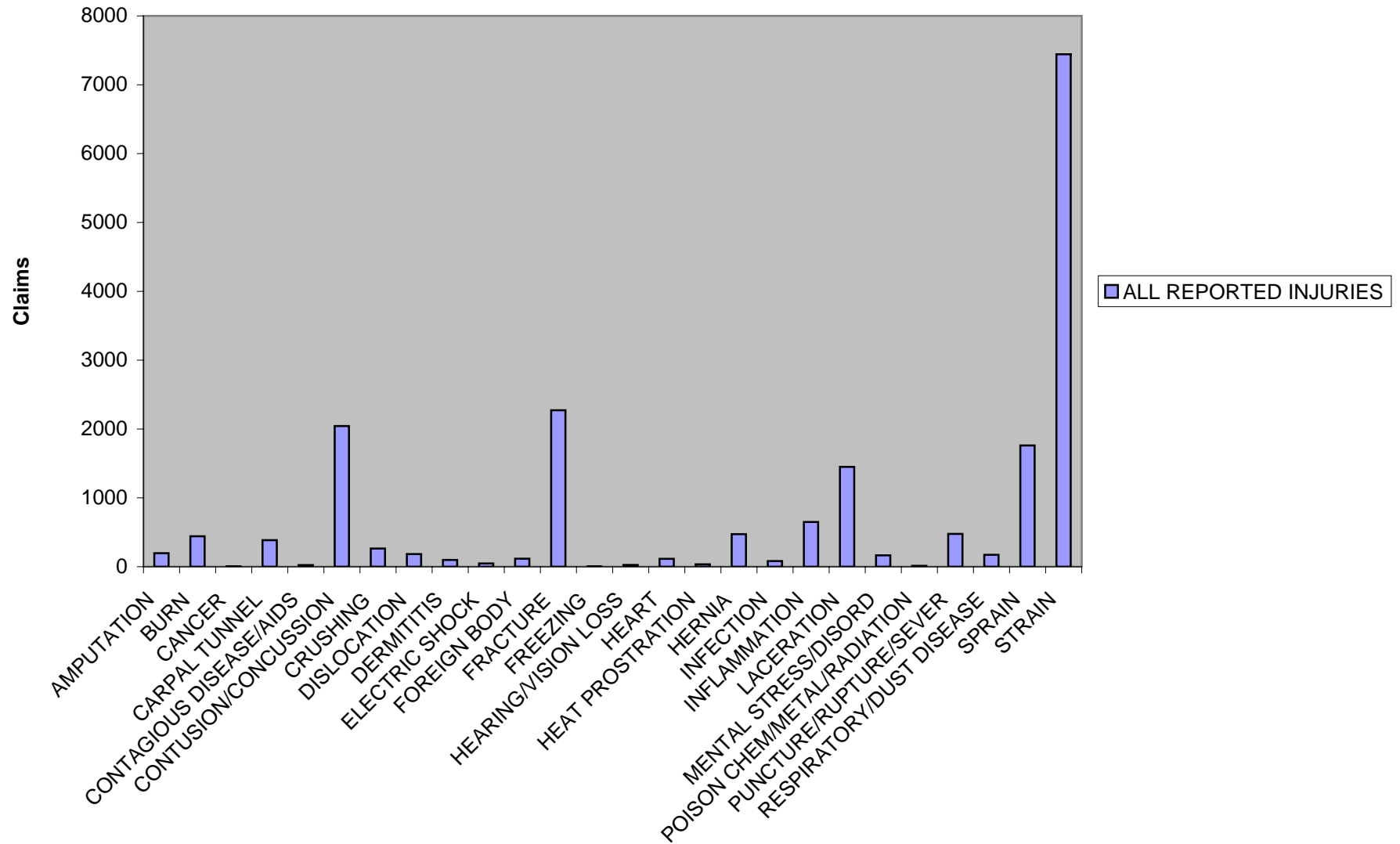
## Most common occurring injuries in the work place 2004

This chart lists the type (nature) of injuries reported on the Employer’s First Report of Injury.





# ALL REPORTED INJURIES



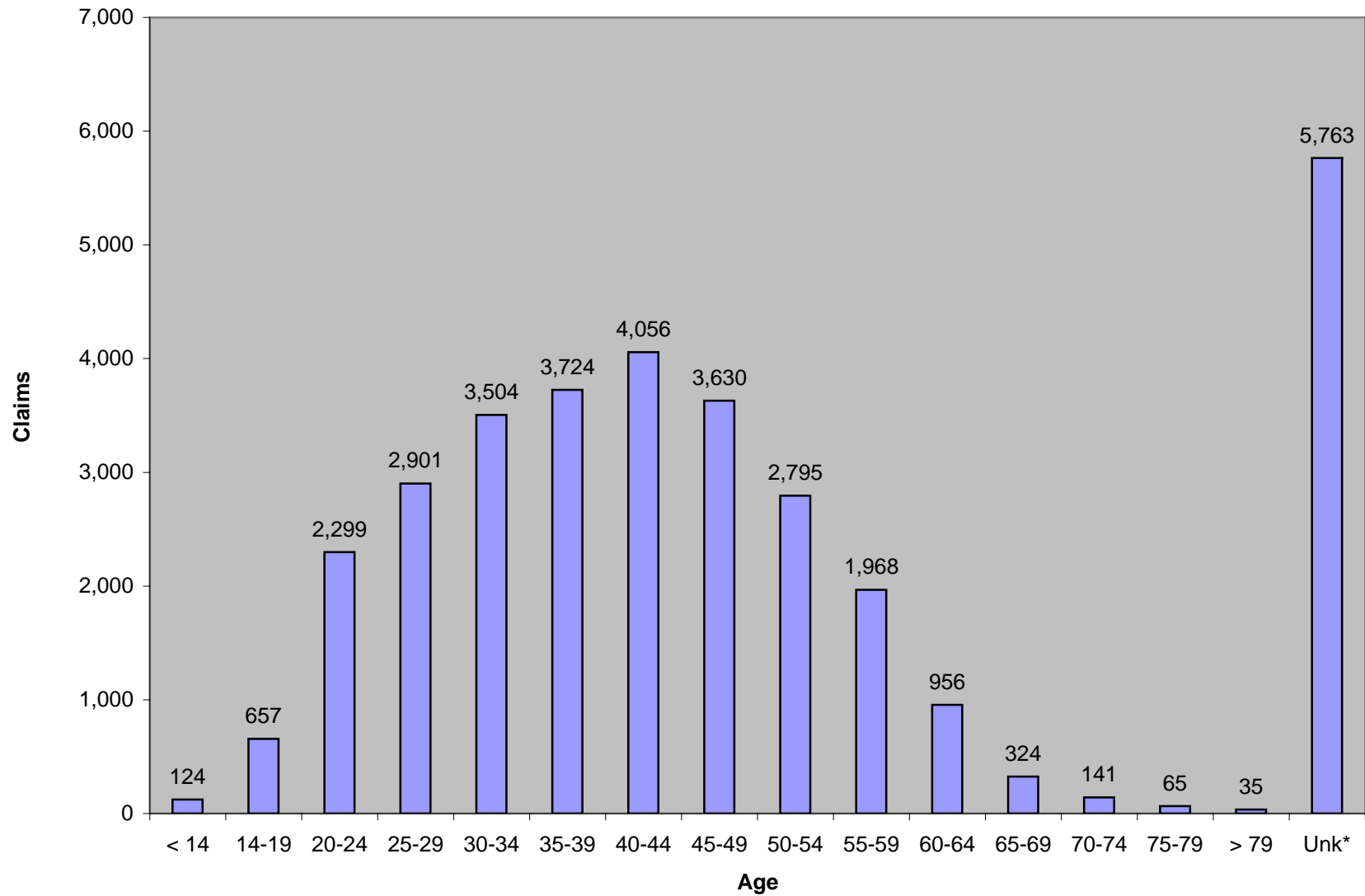
# Chart 4

## Claims Distribution by Age 2004

Chart 4 illustrates the age distribution of reported claims of injuries that occurred in 2004.

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**Workers' Compensation Claims by Age - 2004**



# CLAIMS WITH LOST WORKDAYS BY COUNTY

The table below shows the number of reported injuries by county for 2003.

County	Injuries				
Appling	20	Franklin	22	Rabun	17
Atkinson	5	Fulton	1,352	Randolph	6
Bacon	13	Gilmer	24	Richmond	181
Baker	3	Glascock	1	Rockdale	80
Baldwin	83	Glynn	111	Schley	7
Banks	12	Gordon	26	Screven	12
Barrow	47	Grady	15	Seminole	8
Bartow	70	Greene	15	Spalding	66
Ben Hill	28	Gwinnett	460	Stephens	29
Berrien	19	Habersham	37	Stewart	2
Bibb	221	Hall	151	Sumter	55
Bleckley	20	Hancock	12	Talbot	12
Brantley	13	Haralson	13	Taliaferro	4
Brooks	7	Harris	12	Tattnell	51
Bryan	11	Hart	32	Taylor	7
Bulloch	37	Heard	7	Telfair	27
Burke	32	Henry	125	Terrell	7
Butts	30	Houston	70	Thomas	62
Calhoun	9	Irwin	4	Tift	54
Camden	40	Jackson	65	Toombs	16
Candler	8	Jasper	7	Towns	6
Carroll	95	Jeff Davis	5	Treutlen	1
Catoosa	36	Jefferson	21	Troup	56
Charlton	7	Jenkins	4	Turner	12
Chatham	340	Johnson	9	Twiggs	5
Chattahoochee	3	Jones	10	Union	11
Chattooga	19	Lamar	14	Upson	30
Cherokee	120	Lanier	7	Walker	41
Clarke	127	Laurens	66	Walton	57
Clay	7	Lee	28	Ware	65
Clayton	221	Liberty	56	Warren	8
Clinch	2	Lincoln	2	Washington	21
Cobb	488	Long	2	Wayne	35
Coffee	42	Lowndes	138	Webster	3
Colquitt	39	Lumpkin	25	Wheeler	3
Columbia	44	Macon	15	White	15
Cook	23	Madison	17	Whitfield	86
Coweta	64	Marion	3	Wilcox	9
Crawford	3	McDuffie	18	Wilkes	3
Crisp	39	McIntosh	9	Wilkinson	9
Dade	4	Meriwether	24	Worth	12
Dawson	20	Miller	7	Out of State	210
Decatur	33	Mitchell	24	Unknown	1,640
Dekalb	573	Monroe	32	Total	9,616
Dodge	28	Montgomery	7		
Dooly	15	Morgan	15		
Dougherty	117	Murray	18		
Douglas	91	Muscogee	155		
Early	8	Newton	52		
Echols	4	Oconee	18		
Effingham	15	Oglethorpe	6		
Elbert	36	Paulding	49		
Emanuel	23	Peach	30		
Evans	8	Pickens	22		
Fannin	18	Pierce	17		
Fayette	90	Pike	8		
Floyd	106	<b>County</b>	<b>Injuries</b>		
<b>County</b>	<b>Injuries</b>	Polk	28		
Forsyth	83	Pulaski	13		
		Putnam	20		
		Quitman	1		

# Administrative Services

## Annual Operating Budget FY 2004

Number of Positions	166
Personal Services	\$9,757,026
Regular Operating Expenses:	
Motor Vehicle Expenses	1,400
Supplies & Materials	97,000
Postage	160,000
Repairs & Maintenance	51,850
Energy	1,800
Publications & Printing	71,500
Rents (other than Real Estate)	10,000
Insurance & Bonding	2,000
Equipment (Less than \$1,000)	57,500
Shipping/Delivery/Freight	278
Other Operating Expenses	64,287
Travel	140,600
Equipment Purchase	51,048
Real Estate Rentals	1,341,009
Per Diem, Fees & Contracts	177,100
Computer Charges	3,451,976
Telecommunications	182,744
Contracts	16,000
Payments to State Treasury	1,832,453
Total	\$17,467,571

## Assessment Figures

Fiscal Year	Premium Writings \$	Funds Collected \$	Premium Factor
2004	1,443,805,270	16,802,711	1.21



[illegible]

Calendar Year	Created WC-1	Created WC-14	Total Created
2001	32,252	10,033	42,285
2002	31,002	9,387	40,389
2003	29,520	9,103	38,623
2004	26,803	9,847	36,650

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Employer Clients (self-insured).....	13
Insurer/Insured Employers.....	6/1,271
Number of Employees covered.....	145,321
Number of Injuries	
Lost Time.....	446
Med Only.....	2,147
Number of Case Management Cases	
Lost Time.....	432
Med Only.....	1,852

Current Total Cases .....	1,395
Current Catastrophic Cases .....	1,380
(g)(1)-(5) .....	914
(g)(6) .....	452
pre-1992 .....	14
Current Non Cat Cases .....	15
Rehabilitation Plans Reviewed in 2004.....	1,555
Rehabilitation Progress Reports Reviewed in 2004.....	3,007
Rehabilitation Conferences held 2004 .....	102
Catastrophic Administrative Decisions in 2004.....	213
Other Administrative Decisions issued in 2004.....	355
Telephone Consultations .....	3,200

# Settlements

The table below summarizes the number of stipulated settlements approved in 2004.

## Stipulated Settlements Approved 2004

	<u>Approved</u>	<u>Amount Paid</u>
Liability	10,236	\$308,187,826
No-Liability	3,452	35,587,424
Totals	13,688	\$343,775,250

Average Settlement = \$25,115.08

The table below summarizes the number of Subsequent Injury Trust Fund Reimbursement Agreements approved in 2004.

## Subsequent Injury Trust Fund Agreements Processed 2004

	<u>Approved</u>
SITF Agreements	1,384

The table below summarizes the number of Advances and Lump Sum Awards processed in 2004.

## Advances & Lump Sum Awards Processed 2004

	<u>Approved</u>	<u>Denied</u>
Advance Awards	319	15
Lump Sum Awards	12	0
Totals	331	15

# APPENDICES

APPENDIX A – Glossary

APPENDIX B – Contact Information

APPENDIX C – Summary of Workers’ Compensation Provisions

APPENDIX D – Board Forms

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# APPENDIX B

Contact Information

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# APPENDIX C

Summary of Workers' Compensation Provisions

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